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C O N F I D E N T I A L SECTION 01 OF 02 ISLAMABAD 001828

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TAGS: [PGOV](#) [PK](#) [PREL](#) [PTER](#) [PINR](#)  
SUBJECT: CODEL SMITH MEETS PRIME MINISTER GILANI

Classified By: Anne W. Patterson, Reasons 1.4 (b), (d)

11. (C) Summary: Codel Smith visited Pakistan April 27-28. In their meeting with Prime Minister Yousuf Gilani, U.S. Representatives Adam Smith (D-WA), Mac Thornberry (R-TX), Gabrielle Giffords (D-AZ), Bill Shuster (R-PA) and Mike Conaway (R-TX) stressed the U.S.'s continued commitment to our long-term relationship with Pakistan but worried that the recently announced South Waziristan agreement was being concluded with extremists. They also inquired into the PM's meeting that same day with Iranian President Ahmadinejad and on the new GOP's policies toward neighbors India and Afghanistan. Gilani reiterated his government's continued commitment to the War on Terror and requested increased economic and development cooperation/assistance. He said he had good relations with President Musharraf, but insisted that the parliament would assert its constitutional authority. End summary.

A Strategy  
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12. (C) Prime Minister Gilani started his April 28 meeting with Codel Smith by noting that his Pakistan People's Party (PPP) had received a "split mandate," winning just a plurality in the February 18 parliamentary elections, but had since formed a super-majority government with "like minded, progressive parties." Gilani added that Balochistan and the Northwest Frontier Province (NWFP) governments were no longer controlled by fundamentalists because of PPP's support to other regional parties. He also thought that his own party had become more democratic, noting that he was the first non-Bhutto to lead any PPP government and that party members now were barred from encumbering simultaneously a government and party position.

13. (C) On the new GOP's continued support for the War on Terror, Gilani noted that his party had lost its leader, Benazir Bhutto, in this "war for humanity." Gilani advocated a three-prong strategy to fight extremism in the Federally Administered Tribal Areas (FATA): (1) economic development; (2) social development; and, (3) military strength. Both carrot and stick were needed, Gilani insisted.

14. (C) Referring to the relative calm since he was sworn in March 25, Gilani said "The extremists haven't quit; they're just assessing the new government." Responding to the Codel's concern that the recently announced South Waziristan Agreement would coddle extremists, Gilani felt such concern "was correct, to some extent." He promised his government would remain "suspicious" of movements in the FATA and said there needed to be more U.S.-Pakistan intelligence sharing.

Gilani was hopeful that the accord would achieve peace because "this time we have an agreement with the guarantors of the area," not the fighters.

15. (C) He compared the GWOT to previous bilateral cooperation fighting illicit drugs. During his tenure as National Assembly Speaker (1993-1996), Gilani continued, the U.S. and Pakistan cooperated to end poppy production in Pakistan; his country now accounted for just a small percentage of global supply. Similar cooperation was required for the fight against extremism.

#### The Economy

16. (C) The issue of law and order was inextricably linked to his country's economic health, Gilani argued. He complained that nearly three million Afghan refugees, some of whom have been in Pakistan for decades, were a drain on the exchequer. Particularly affecting the border provinces, these refugees were viewed as a security threat, requiring "huge resources" to support.

17. (C) Gilani blamed Musharraf's government for the current wheat (and thus, bread) shortage and for not constructing new energy plants during its eight-year tenure. Wheat was being smuggled out of Pakistan to Central Asian countries, Gilani claimed, and an energy plant had not been built since Bhutto's second term ended in 1996. He noted that there were a few facilities "in the pipeline," but otherwise, a new plant would take at least three years to bring on-line. He

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hoped the idea of barge-mounted power plants to help supply Karachi, new solar/wind initiatives and moving to daylight savings time would help ease the energy crunch. Gilani lastly pushed for quick action on U.S. legislation to establish Reconstruction Opportunity Zones (ROZ).

#### Neighbors

18. (C) Iranian President Ahmadinejad had visited Gilani the morning of April 28. He informed the Codel that the two had discussed law and order issues and the energy shortage. On the former, Ahmadinejad reportedly supported a jirga process for the frontier areas, including Balochistan; on the latter, the Iranian leader advocated signing the Iran-Pakistan-India (IPI) gas pipeline. Responding to the Codel's pointed question, Gilani reported that the two leaders had not discussed Iranian-sponsored terrorism or any possible effect on Pakistan.

19. (C) Gilani noted that GOP coalition partner Awami National Party (ANP) had a good relationship with Afghani President Hamid Karzai. The two countries had joined in a "grand jirga;" now, what was needed, were small jirgas with tribal elders, Gilani advocated.

110. (C) For the sake of Pakistan's economy, "we want to maintain good relations with India," Gilani said. He noted that there were already strong bilateral relations in this area. He further noted that Benazir Bhutto and Asif Zardari, as party leaders, had visited India. Kashmir, he added, "was the only obstacle."

#### Good Relations with Musharraf

111. (C) Gilani claimed he had "a very good working relationship with the president, according to the Constitution." He warned, though, not to expect this National Assembly to be a "rubber stamp;" instead, his party hoped to restore the 1973 Constitution, under which the Parliament was the more dominant federal institution. The Codel indicated its approval. Without providing any

specifics, Gilani ended by promising to lift press restrictions and to restore the judiciary.

PATTERSON